Supreme Court, U.S.
FILED
991614 APR 06 2000
OFFICE OF THE CLERK

No. 99-

IN THE
Supreme Court of the United States

INTERNATIONAL SELECT GROUP, INC.,

Petitioner,

v.

FREHLING ENTERPRISES, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURTS OF APPEALS FOR THE ELEVENTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

HARLEY S. TROPIN
GAIL A. MCQUILKIN
KOZYAK TROPIN
& THROCKMORTON, P.A.
200 S. Biscayne Blvd.
Suite 2800
Miami, Florida 33131
(305) 372-1800

MARC COOPER
Counsel of Record
200 S. Biscayne Blvd.
Suite 3850
Miami, Florida 33131
(305) 371-1597

Attorneys for Petitioner

158841

Counsel Press LLC
(800) 274-3321 • (800) 359-6859

81 pp + f/o 5

QUESTIONS PRESENTED

1. Whether the court of appeals erred in holding that the incontestible status of a trademark requires a presumption that a mark is "relatively strong" under the likelihood of confusion analysis.

2. Whether the court of appeals exceed its authority under Rule 52(a) in disregarding as "clearly erroneous" the district court's factual findings and credibility determinations and ultimate conclusion that there was no likelihood of confusion where the record showed and the trial court found that:

(i) plaintiff's trademark has little consumer recognition;

(ii) the parties' marks had coexisted in the marketplace for over eight years with no credible evidence of consumer confusion;

(iii) plaintiff had no lost sales, diverted customers or other damages;

(iv) the parties share no trade channels or advertising media;

(v) the parties' products do not compete and are dissimilar in function, design, style, and price; and

(vi) defendant adopted its mark without knowledge of plaintiff's mark.

CORPORATE DISCLOSURE STATEMENT

Petitioner has no parent and no publicly held company owns 10% or more of its stock.

TABLE OF CONTENTS

	Page
Questions Presented	i
Corporate Disclosure Statement	ii
Table of Contents	iii
Table of Cited Authorities	v
Table of Appendices	viii
Opinions Below	1
Statement of Jurisdiction	1
Statutes and Rule Involved	1
Statement of the Case	2
A. The "OGGETTI" Mark	2
B. The "BELL'OGGETTI" Mark	3
C. This Action	3
D. The Trial	4
E. The Appeal	5
Reasons for Granting the Writ	6

Contents

Page

I. Certiorari Should Be Granted To Resolve A Conflict In The Circuits As To Whether The Incontestable Status Of A Trademark Precludes A Defendant From Challenging The Marketplace Strength Of The Mark Under The Likelihood Of Confusion Analysis. 6

II. The Court Of Appeals Exceeded The Proper Scope Of Review Under Rule 52(a). 10

A. The Eleventh Circuit Exceeded Its Authority 11

B. The Multi-Factor Likelihood of Confusion Test 12

1. Actual Confusion 12

2. Similarity of the Goods 14

3. Similarity of Trade Channels 16

4. Similarity of Advertising 17

5. Similarity of the Marks 18

6. Intent 19

C. The Rule of Appellate Review 21

Conclusion 23

TABLE OF CITED AUTHORITIES

Page

Cases:

Anderson v. City of Bessemer,
470 U.S. 564 (1985) 10, 11, 12, 14, 21, 22

Coherent, Inc. v. Coherent Technologies, Inc.,
935 F.2d 1122 (10th Cir. 1991) 8

Commodity Futures Trading Com'n v. Sidoti,
178 F.3d 1132 (11th Cir. 1999) 11

Dieter v. B & H Indus.,
880 F.2d 322 (11th Cir. 1989) 8, 9

Gruner + Jahr USA Publishing v. Meredith Corp.,
991 F.2d 1072 (2d Cir. 1993) 8

Inwood Laboratories v. Ives Laboratories,
456 U.S. 844 (1982) 20, 22

L.A. Gear, Inc. v. Thomas McAn Shoe Co.,
510 U.S. 908 (1993) 11

Lone Star Steakhouse & Saloon v. Alpha of Virginia,
43 F.3d 922 (4th Cir. 1995) 8

Lone Star Steakhouse and Saloon, Inc. v. Longhorn Steaks, Inc.,
122 F.3d 1379 (11th Cir. 1997) 4, 11

Cited Authorities

Page

Miss World Ltd. v. Mrs. America Pageants,
856 F.2d 1445 (9th Cir. 1988) 7, 8

Munters Corp. v. Matsui Am.,
909 F.2d 250 (7th Cir. 1990) 8

Oreck Corp. v. U.S. Floor Systems, Inc.,
803 F.2d 166 (5th Cir. 1986) 8

Park N' Fly, Inc. v. Dollar Park & Fly, Inc.,
469 U.S. 189 (1985) 6, 7, 8

Park N' Fly, Inc. v. Dollar Park and Fly, Inc.,
782 F.2d 1508 (9th Cir. 1986) 7

Safeway Stores, Inc. v.
Safeway Discount Drugs, Inc.,
675 F.2d 1160 (11th Cir. 1982) 11

Wu v. Thomas,
847 F.2d 1480 (11th Cir. 1988) 12

Wynn Oil Co. v. American Way Ser. Corp.,
943 F.2d 595 (6th Cir. 1991) 8

Cited Authorities

Page

Statutes:

15 U.S.C. § 1114(1)(a) 1, 2, 3

15 U.S.C. § 1115(b) 1, 2, 6, 10

15 U.S.C. § 1121 3

15 U.S.C. § 1125(a)(1)(A) 1, 2, 3

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1331 3

28 U.S.C. § 1338(a) 3

28 U.S.C. § 1338(b) 3

Rule:

Fed. R. Civ. P. 52(a) ..... i, 1, 2, 10, 14, 15

TABLE OF APPENDICES

Page

Appendix A — Opinion Of The United States Court Of Appeals For The Eleventh Circuit Dated And Filed October 18, 1999 ..... 1a

Appendix B — Findings Of Fact And Conclusions Of Law Of The United States District Court For The Southern District Of Florida Dated And Filed December 30, 1997 ..... 23a

Appendix C — Per Curiam Opinion Of The United States Court Of Appeals For The Eleventh Circuit Denying Petition For Rehearing Dated And Filed January 7, 2000 ..... 44a

Appendix D — Relevant Statutes And Rule 46a

Appendix E — Sample Of Catalogue Displays For Parties 49a

OPINIONS BELOW

The opinion of the court of appeals is reported as *Frehling Enterprises, Inc., d.b.a. Oggetti v. International Select Group., d.b.a. Bell'Oggetti International Ltd.*, 192 F.3d 1330 (11th Cir. 1999), and is reproduced as Appendix A. The district court's Findings of Fact and Conclusions of Law are reported as *Frehling Enterprises, Inc. d/b/a Oggetti v. International Select Group, Inc. d/b/a Bell'Oggetti International, Ltd.*, 994 F. Supp. 1443 (S.D. Fla. 1997), and reproduced as Appendix B. The order denying rehearing, which is not reported, is Appendix C.

STATEMENT OF JURISDICTION

The judgment of the court of appeals was entered on October 18, 1999. (App. A). Rehearing was denied on January 7, 2000. (App. C). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTES AND RULE INVOLVED

The principal statutory provisions and rules involved are:

I. 15 U.S.C. § 1114(1)(a)

II. 15 U.S.C. § 1115(b)

III. 15 U.S.C. § 1125(a)(1)(A)

IV. Rule 52(a), Federal Rules of Civil Procedure

The pertinent text of 15 U.S.C. §§ 1114(1)(a), 1115(b) and 1125(a)(1)(A) and Rule 52(a), Federal Rules of Civil Procedure, are set out in Appendix D.

STATEMENT OF THE CASE

This is a trademark infringement case. The issue is whether two parties' simultaneous use of their respective federally registered trademarks "OGGETTI" and "BELL'OGGETTI" for different products for over eight years may constitute trademark infringement without any evidence of consumer confusion, loss of sales or diversion of customers.

A. The "OGGETTI" Mark

The mark "OGGETTI" has been used by Respondent Frehling Enterprises ("Frehling") since 1975 in connection with its importing and distribution business. The word "oggetti" is Italian for "objects." Frehling does not manufacture its own products, but imports and distributes other companies' goods. These goods consist mostly (between 85 and 89%) of decorative accessories and gift items (*e.g.*, hand-blown glass figurines) with the remaining 11-15% consisting of high-end decorative non-functional furniture. Documents showing the goods Frehling imports appear in App. E. Frehling sells these goods through interior decorators and high-end retail stores.

In 1985, the United States Patent and Trademark Office ("PTO") issued Frehling a service mark registration certificate for use of the "OGGETTI" mark in connection with distribution services.

B. The "BELL'OGGETTI" Mark

In 1989, Petitioner International Select Group ("ISG") obtained the right to use the mark "BELL'OGGETTI" from Phil de Carolis who had used the mark individually since 1971. ISG began using the mark in connection with the manufacture and sale of unassembled black metal and tempered glass furniture specially engineered and designed to house consumer electronics components such as televisions, amplifiers, cassette decks, VCRs, and the like. Documents showing ISG's product appear in App. E. ISG sells its unassembled products through mass market electronic stores such as Circuit City, and electronic goods departments of large retail outlets.

In 1991, ISG obtained a U.S. trademark registration certificate for "BELL'OGGETTI" for use of the mark in connection with its manufactured goods.

C. This Action

In 1996, after seeing an ISG advertisement, Frehling commenced this action for trademark infringement and unfair competition under the Lanham Act, 15 U.S.C. § 1114(1)(a) and 15 U.S.C. § 1125(a)(i)(A), and related state law claims. Jurisdiction of the trial court was based on 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a) and (b). The case was heard at a bench trial before U.S. District Judge Donald L. Graham that, by the parties' consent, took place on two days — July 17, 1997 and November 6, 1997.

D. The Trial

The trial court reviewed conflicting evidence on each factor under the seven-factor test used in the Eleventh Circuit to determine whether consumer confusion is likely: (1) strength of plaintiff's mark; (2) similarity of the marks; (3) similarity of the products; (4) similarity of the retail outlets and identity of purchasers; (5) similarity of the advertising media used; (6) defendant's intent; and (7) actual confusion[1].

The district court heard the testimony of Frehling's principals, Robert and Nancy Frehling, and Frehling's expert, Gary Krugman; ISG's witnesses, Edward Stravitz and Phil de Carolis, and ISG's expert, Steven Fishkin. It also viewed actual samples of ISG's product and viewed photographs of Frehling's imported goods; saw samples of each parties' advertising and heard testimony on their respective trade channels.

In its Findings of Fact and Conclusions of Law dated December 30, 1997, the district court resolved six of these factual disputes in favor of ISG finding that (1) Frehling's mark, although valid, was commercially weak with little consumer recognition (App. B, at 31a-32a, 35a); (2) the marks as they appear in the marketplace render them dissimilar (App. B, at 27a, 36a-37a); (3) the products imported by Frehling and the goods manufactured by ISG are dissimilar in function, design, style and price (App. B, at 28a, 37a); (4) Frehling sells through high-end retail outlets and designers targeting affluent consumers while ISG sells its goods to ordinary consumers through mass market outlets

---

1. *Lone Star Steakhouse and Saloon, Inc. v. Longhorn Steaks, Inc.*, 122 F.3d 1379, 1382 (11th Cir. 1997).

(App. B, at 29a, 37a-38a); (5) the parties advertise in different publications and through dissimilar advertising programs (App. B, at 29a-30a, 38a-39a); and (6) there has been no actual consumer confusion. (App. B, at 31a, 39a-40a).

On the issue of intent, the district court found that ISG did not adopt its mark with knowledge of Frehling's mark or intent to derive benefit from that mark. (App. B, at 39a). However, it found that ISG was "intentionally blind" to Frehling's right to use the "OGGETTI" mark when it adopted and placed on packaging inserts a 1-800-OGGETTI consumer service telephone number given to it by the telephone company, which it did not advertise and later abandoned upon Frehling's demand, and thus, this factor favored Frehling slightly. (App. B, at 39a).

In conclusion, the district court ruled for defendant and held that Frehling failed to establish a likelihood of confusion between the parties' marks. (App. B at 42a). Frehling appealed.

E. The Appeal

On appeal, the Eleventh Circuit reversed as "clearly erroneous" each of the controverted factual findings of the district court and the district judge's ultimate conclusion that there is little likelihood of consumer confusion. (App. A). On each factor, the court of appeals found that there was evidence that should have been weighed more heavily in favor of Frehling or inferences that should have been made by the district court. The court of appeals also rejected the district court's credibility determinations on testimony given by expert witnesses and representatives of the parties.

A timely petition for rehearing and suggestion for rehearing en banc was denied on January 7, 2000. (App. C).

REASONS FOR GRANTING THE WRIT

I. CERTIORARI SHOULD BE GRANTED TO RESOLVE A CONFLICT IN THE CIRCUITS AS TO WHETHER THE INCONTESTABLE STATUS OF A TRADEMARK PRECLUDES A DEFENDANT FROM CHALLENGING THE MARKETPLACE STRENGTH OF THE MARK UNDER THE LIKELIHOOD OF CONFUSION ANALYSIS.

This answer to this question is important to federal trademark disputes and the courts of appeal are divided on this issue. In *Park N' Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985), this Court addressed the issue of whether a defendant could challenge the validity of a plaintiff's trademark in an infringement action where the plaintiff's mark had become incontestible under Lanham Act § 33(b). This Court held that an incontestable mark cannot be challenged in an infringement action on the grounds it is merely descriptive or has not acquired secondary meaning. *Park N' Fly*, 469 U.S. at 204. The Court's decision was later codified by Congress in Section 33(b) of the Lanham Act, as amended by the 1988 Trademark Law Revision Act, which now provides:

> To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the mark. . . . subject to proof of infringement as defined in section 1114 of this title . . .

This Court's opinion in *Park N' Fly* contained an important point: that the incontestable status of a mark relates

to the *validity* of the mark and does not eliminate the necessity of the registrant proving infringement. This is because the strength of a mark rests on its distinctiveness. A mark's distinctiveness is measured in terms of its location along a continuum stretching from arbitrary, inherently strong marks, to suggestive marks, to descriptive marks, to generic, inherently weak marks. Descriptive marks are not protectable as a trademark without a showing that the mark has gained some degree of recognition. As stated in *Park N' Fly*, federal registration for more than five years makes a descriptive mark's validity incontestable and precludes challenges as to whether the mark is protectable. But, it does not follow that incontestability makes a mark "strong" under the likelihood of confusion analysis because if a mark is unknown to consumers or unlikely to be associated with a source of goods, use of a similar mark is not going to lead to confusion in the marketplace. Thus, a plaintiff must still prove the strength, or marketplace recognition, of its mark under a likelihood of confusion analysis.

Although this Court did not address the effect of incontestability on the likelihood of confusion analysis in *Park N' Fly*, on remand from this Court, the Ninth Circuit considered the mark's strength in determining a likelihood of confusion rather than simply presuming that the mark was strong due to its incontestable status[2]. The Ninth Circuit and the majority of circuits are now consistent that the incontestable status of a mark does not prevent a defendant from questioning the "marketplace distinctiveness", or strength of a mark, and hence the mark's scope of protection, in determining the likelihood of confusion. *Miss World Ltd. v. Mrs. America Pageants*, 856 F.2d 1445, 1449 (9th Cir.

2. *Park N' Fly, Inc. v. Dollar Park and Fly, Inc.*, 782 F.2d 1508, 1509 (9th Cir. 1986).

1988) ("Placement on the spectrum of distinctiveness does not end the inquiry as to the strength of a mark: it is only the first step. The second stop is to determine the strength of this mark in the marketplace. That is, its degree of recognition the minds of the relevant customer class."); *Oreck Corp. v. U.S. Floor Systems, Inc.*, 803 F.2d 166, 171 (5th Cir. 1986) ("Incontestable status does not make a weak mark strong.")[3]

Contrary to other circuits, the Eleventh Circuit holds that the incontestable status of a mark makes it strong for the purposes of likelihood of confusion. Subsequent to *Park N' Fly*, the Eleventh Circuit addressed the issue of "incontestable" status under the likelihood of confusion analysis in *Dieter v. B & H Indus.*, 880 F.2d 322 (11th Cir. 1989). In accord with other circuits, the Eleventh Circuit correctly stated that a plaintiff seeking to enjoin another's use of a trademark must show, first, that its mark is valid and, second, that defendant's use of the challenged mark creates a likelihood of confusion under the seven factor analysis. *Dieter*, 880 F.2d at 328. However, when addressing the strength of plaintiff's mark under the likelihood of confusion analysis, it held that "because [plaintiff's] mark is incontestable, then it is presumed to be "relatively strong" for purpose of infringement.[4] This decision is not supported by this Court's holding in *Park N' Fly* or the Trademark Revision Act of 1988, and conflicts with the majority of circuits.

---

3. *See also Munters Corp. v. Matsui Am.*, 909 F.2d 250 (7th Cir. 1990); *Coherent, Inc. v. Coherent Technologies, Inc.*, 935 F.2d 1122 (10th Cir. 1991); *Gruner + Jahr USA Publishing v. Meredith Corp.*, 991 F.2d 1072 (2d Cir. 1993); *Lone Star Steakhouse & Saloon v. Alpha of Virginia*, 43 F.3d 922 (4th Cir. 1995).

4. The Sixth Circuit also takes this position. *See Wynn Oil Co. v. American Way Ser. Corp.*, 943 F.2d 595 (6th Cir. 1991).

The particular circumstances of this appeal confirm the Eleventh Circuit's confusion on this issue. At trial, the district court in this case made the correct two step analysis of the strength of Frehling's mark by first determining that the mark is suggestive and, therefore, strong without needing to show secondary meaning. (App. B, at 35a-36a). It also found that Frehling's mark is weak commercially, and hence, not strong under the likelihood of confusion analysis. (App. B, at 31a-32a). The district court's finding was supported by *uncontroverted* expert testimony that the "OGGETTI" mark has little or no consumer recognition.

The Eleventh Circuit reversed as "clearly erroneous" the district court's finding that Frehling's mark was weak for purposes of a likelihood of confusion because it failed to consider that Frehling's mark was incontestable, or that there was an apparent lack of third party usage of similar marks. (App. A, 8a-9a). This makes no sense. The district court found that Frehling's mark is strong in terms of validity, a finding that would not change had it taken into consideration the incontestable status of Frehling's mark or the lack of third party usage, both of which relate to the *validity* of the mark, not its marketplace strength. It was the lack of consumer recognition of Frehling's mark that made it weak for purposes of likelihood of confusion. Whether Frehling's mark is incontestable has no bearing on the degree of consumer recognition[5].

As in *Dieter*, the Eleventh Circuit confuses the strength of a designation to function as a trademark, with the separate

5. Furthermore, the incontestable status of Frehling's mark relates only to the services listed in the registration certificate, *i.e.*, distribution services. Frehling does not have an incontestable mark for goods.

issue of whether that valid mark has sufficient strength that the junior user's usage is likely to cause confusion. Clearly, if a mark has little marketplace recognition, incontestable or not, there is little likelihood that a junior user of a similar mark will cause confusion and the scope of protection given to that mark is limited. That is precisely the reason Section 33(b) of the Lanham Act provides that an incontestable mark is still subject to proof of a likelihood of confusion under the well known seven part test, and why the majority of circuits disagree with the Eleventh Circuit.

This Court should issue its writ of certiorari to resolve this conflict and determine whether a defendant may challenge the strength of an incontestable mark under the likelihood of confusion analysis.

II. THE COURT OF APPEALS EXCEEDED THE PROPER SCOPE OF REVIEW UNDER RULE 52(a).

An appellate court's reversal of a district court's factual findings in a trademark infringement case may seem unworthy of review here. But the consequence of the Eleventh Circuit exceeding its authority under Rule 52(a) is severe because it destroys the fundamental role of the trial court in trademark disputes — to be the trier of fact — and the purpose of a court of appeal — to review the district court's actions and reverse only in the face of undisputed error. It has been 15 years since this Court restated the importance of an appellate court's limited scope of review under Rule 52(a) in *Anderson v. City of Bessemer*, 470 U.S. 564 (1985). This Court spoke with such clarity in *Anderson* that the Eleventh Circuit's opinion in this case has to be regarded as simply a considered decision by this appellate court to disregard the rules of appellate review as stated by this Court and Rule 52(a).

This Court should issue its writ of certiorari to redress the intrusion by the Eleventh Circuit into the fact finding province of the trial court in trademark cases[6].

A. The Eleventh Circuit Exceeded Its Authority

This case was tried to the court without a jury. In making its ultimate determination of the likelihood of confusion, the district court made findings of fact as required from documentary and testimonial evidence regarding the strength of plaintiff's mark; similarity of the marks; similarity of the products; similarity of the retail outlets; similarity of the advertising media used; defendant's intent; and actual confusion[7]. After a two day trial, the district court found that the evidence did not support the conclusion that ISG's mark was likely to cause consumer confusion. The Eleventh Circuit's role was to view the district court's factual findings in the context of the entire record, make all credibility choices *in favor* of the district court's choice, and determine if the district court's findings are "plausible" from that evidence. *Anderson*, 470 U.S. at 574; *see also Commodity Futures Trading Com'n v. Sidoti*, 178 F.3d 1132, 1135 (11th Cir. 1999)

---

6. This petition does not ask the Court to resolve a conflict between the circuits regarding whether the district court's finding of likelihood of confusion is reviewable under the clearly erroneous standard as a finding of fact, as prior petitions have. *See, e.g., L.A. Gear, Inc. v. Thomas McAn Shoe Co.*, 510 U.S. 908 (1993). The Eleventh Circuit has always followed the rule that likelihood of confusion is a question of fact subject to the clearly erroneous rule. *Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, n.2 (11th Cir. 1982).

7. *Lone Star Steakhouse and Saloon, Inc. v. Longhorn Steaks, Inc.*, 122 F.3d 1379, 1382 (11th Cir. 1997).

Thus, in this case, the Eleventh Circuit was limited to determining if there was record evidence to support the district court's factual findings on each of the seven likelihood of confusion factors. It is only upon finding an *absence* of evidence to support the district court's conclusions, or when the appellate court is left with a *definite and firm conviction* that a mistake has been made, can the appellate court reverse. *Anderson*, 470 U.S. at 573; *Wu v. Thomas*, 847 F.2d 1480, 1484 (11th Cir. 1988) (district court findings supported by documentary and testimonial evidence cannot be reversed).

The Eleventh Circuit disregarded the limits of its appellate role in reviewing this trademark dispute. Although it said that the district court's findings were "subject to the clearly erroneous standard of review" (App. A, at 6a), it applied no standard of review and conducted a new trial by expressly weighing the evidence, making its own factual findings and credibility determinations, drawing its own inferences from testimonial and documentary evidence, and then decided the case as if it were the trier of fact. As shown below, the Eleventh Circuit's own language from its opinion confirms this.

B. The Multi-Factor Likelihood of Confusion Test[8]

1. *Actual Confusion*

The only evidence of confusion at trial was Robert Frehling's testimony regarding two incidents that occurred *after* this lawsuit was filed. The district court found that testimony lacked credibility and found that this factor favored

8. The district court's finding on the strength of Frehling's mark is discussed in Section I.

ISG because, *inter alia*, *Frehling's* own expert testified that this testimony was not credible evidence of confusion; Frehling testified that no dealer or customer has ever asked him about the BELL'OGGETTI name or told him that it has adversely effected his company's reputation; Frehling offered no consumer survey showing possible confusion; and most importantly, Frehling and his own expert testified that, over the course of the eight years the marks have co-existed, Frehling has suffered no loss of sales, diversion of customers or other damages from ISG's use of its mark.

The Eleventh Circuit mentions none of this other evidence in its opinion: it simply made its own credibility determination of Frehling's testimony, drawing its own inferences and gave greater weight to that evidence:

> The district court admitted this testimony, but *assigned little weight to it*, concluding that it was self-serving and vague, seemingly because the confused buyer's name could not be recalled.

(App. A, at 20a). (emphasis added).

> As noted above, the district court did not mention this point, but instead *seemed to discount the entire incident as constituting vague* and, hence, unpersuasive evidence.

(App. A, at 20a). (emphasis added).

> The fact that Frehling could not remember the buyer's name does not seem significant enough that it would strip the testimony of all its credibility and relative weight.

(App. A, at 20a).

Judging the credibility of testimony from reviewing transcripts is *not* the prerogative of an appellate court when reviewing the district court's factual findings. As previously stated by this Court, the trial judge is always in a superior position to gauge the credibility of a witness because it hears live testimony:

> When findings are based on determinations regarding the credibility of witnesses, Rule 52(a) demands even greater deference to the trial court's findings; for only the trial judge can be aware of the variations in demeanor and tone of voice that bear so heavily on the listener's understanding of and belief in what he said.

Anderson, 470 U.S. at 575.

2. *Similarity of the Goods*

The Eleventh Circuit reversed the district court's factual determination that the parties' products are dissimilar *not* because it was clearly erroneous, but because it would have weighed the evidence differently:

> Although we *hesitate* to attach a clearly erroneous label to the district court's finding that the parties' products were dissimilar, we are persuaded that *the district court improperly weighed this evidence*

(App. A, at 13a). (emphasis added).

"Hesitating" to label the district court's findings clearly erroneous is not a "firm" conviction that a mistake has been made as required under Rule 52(a).

Moreover, the appellate court overlooked or misapprehended the record regarding Frehling's goods. Expert testimony and documents produced by Frehling at trial showed that almost 90% of its goods are non-functional decorative *objects*, such as vases, frames, and bowls, and that the 11-15% of Frehling's goods that it called "furniture" are actually special order high-end decorative furnishings made of exotic materials such as fossil, limestone, or penshell veneer that are not designed to house electronics. Although Frehling claimed on appeal that it sells furniture and armoires that *could* house televisions, it produced no samples of such furniture at trial and produced only a single invoice for the sale of one special order $6,000 armoire which was designed by the customer not Frehling. In addition, Robert Frehling, his wife Nancy and an expert testified that none of the products Frehling imports are designed or produced to house consumer electronics.

Yet on page 15 of its opinion, the Eleventh Circuit concludes that "[b]oth products are furniture pieces designed for the home and both have the capability to house electronic equipment." (App A, at 13a). That is simply incorrect and ignores the record evidence. Moreover, finding that "a reasonable consumer could possibly attribute the products here to the same source" (App A, at 13a-14a), is hardly a conviction that the district court erred.

The district court observed first hand the parties' goods and was in a far superior position than the appellate court to judge the significance of Frehling's single armoire sale to the overall likelihood that consumers would think ISG's functional ready-to-assemble goods are associated with or emanate from Frehling. Rule 52(a) requires the appellate court to give deference to that.

3. *Similarity of Trade Channels*

The Eleventh Circuit *agreed* with the district court that the evidence showed that the parties sell though different retail outlets. (App A, at 14a-15a). And, it found that the district court's findings on this factor were "not clearly erroneous". (App. A, at 15a). Under the clearly erroneous standard that alone should affirm the district court's finding on this factor. However, the appellate court went beyond the record evidence to *infer* that:

> there would *seem* to be overlap in customer base even though the retail outlets where the parties' products are sold are *not exactly the same* . . . the similarity of advertising media, discussed *infra*, *suggests* that the parties indeed target the same types of customers . . .

(App. A, at 15a) (emphasis added).

What the evidence "suggests" or "seems" to show is for determination by the district court; it is not an inference the appellate court is permitted to make under the clearly erroneous rule. The Court's only role was to determine if the district court's finding that the parties' retail outlets are *dissimilar* is supported by the record evidence. Clearly if the evidence shows that the parties' retail outlets or channels of trade are not the same, the district court's finding that this factor favored ISG is plausible and not clearly erroneous. Furthermore, the record evidence on this factor, not cited by the appellate court, included: Robert Frehling's own testimony that he does not and would not sell his products to electronic stores or low end retailers where ISG sells its products because it would cheapen the value of these

products and alienate his customers; Frehling's admission that he could not show that he had the same customers as ISG; Nancy Frehling's testimony that the parties' trade channels and retailers are not the same; and expert testimony that the parties' trade channels are different and the identity of their purchasers are different.

4. *Similarity of Advertising*

The Eleventh Circuit also *agreed* that the evidence showed that the parties use dissimilar advertising media but then rejected the district court's finding as "somewhat suspect" on its own *inference* that an "overlap" in readership in two magazines exists:

> With respect to the magazines listed above, i.e., *Architectural Digest* and *House Beautiful*, such a significant overlap *seemingly* exists. . . . Though the parties do not advertise in exactly the same periodicals, they both advertise in periodicals, and very similar ones at that. Consequently, the advertising factor *seems* to favor Frehling.

(App. A, at 17a) (emphasis added).

A factual finding by the district court that is "somewhat suspect" is far from clearly erroneous. And, not only is the appellate court's inference that there is an "overlap" in readership between the parties' advertising publications improper under the clearly erroneous standard, it is unsupported by the record evidence. There was no evidence presented to establish readership, or overlap of readership, of either magazine. The appellate court is not permitted to go beyond the record evidence to make inferences based on what it believes "seemingly exists."

The district court's factual finding that the parties use dissimilar advertising media was based on actually seeing the parties' advertising and other evidence, including testimony from Robert Frehling that he could not produce evidence that he has ever advertised in the same publication as ISG or attended the same trade shows and ISG's testimony that he has never seen an "OGGETTI" advertisement in any magazine he has advertised in.

5. *Similarity of the Marks*

While the district court found that the marks have similar components, it determined that these similarities are outweighed by the evidence regarding how the marks actually appear in the marketplace. (App. B, at 27a, 36a). This finding was supported by *uncontroverted* expert testimony that the "OGGETTI" mark has little, if any, consumer recognition; expert testimony that Frehling's mark appears primarily with his decorative objects; documents showing that Frehling primarily uses the mark "TAVOLA" in large block lettering on hang tags to identify its decorative furnishing with the "OGGETTI" mark not usually visible; and physical samples of ISG's goods showing that the "BELL'OGGETTI" mark is displayed on the front of the product; and most importantly, the U.S. Patent and Trademark Office's decision to issue trademark registrations for both marks.

Rather than considering whether the district court's finding that this factor favored ISG was plausible from this evidence, the appellate court rejected the district court's finding based on the greater weight it would have given to the visual and phonetic similarities of the marks as compared to Frehling's use of the "Tavola" name on his furniture

products[9]. Weighing the evidence that way, the appellate court concluded it "seem[s] highly probable that a reasonable consumer *could likely* be confused as to the source of the products each mark represents". (App A, at 12a) (emphasis added).

The clearly erroneous standard does not permit the appellate court to engage in speculating probabilities based on a re-weighing of the evidence. The district court saw how the marks appear on the parties' goods and was entitled to determine how much weight to give to Frehling's use of the "Tavola" name. The question on review is simply whether based on the record evidence the district court's finding that the marks are more dissimilar than similar in "plausible." Accepting the district court's weighing of the evidence, its finding is more than plausible.

6. *Intent*

Because the district court found that ISG did not intend to confuse consumers with its mark, the appropriate inquiry for the appellate court was whether there was evidence that ISG did *not* intend to confuse consumers when it adopted its mark. It did not make that inquiry; it weighed the evidence and drew its own inferences of intent.

The district court found that ISG was "intentionally blind" to possible consumer confusion when it continued to use its mark after it discovered the "OGGETTI" mark, and because it placed a 1-800-Oggetti number in its packaging

9. Trademark law does not prevent the use of similar, or even identical, marks by different users. It is only where use of a similar mark is likely to cause consumer confusion that infringement occurs.

inserts. (App. B, at 39a). However, the district court concluded that this factor favored Frehling only slightly because there was *no* evidence that ISG intended to confuse consumers or that consumers have been confused. (App. B, at 39a). That finding was supported by testimony from Frehling's own expert that there was no evidence of ISG's bad faith in adopting its "BELL'OGGETTI" mark; ISG's testimony that it began using the "BELL'OGGETTI" mark before it had knowledge of the "OGGETTI" mark; Frehling's failure to present any evidence that ISG intended to capitalize on the "OGGETTI" reputation or confuse consumers; and ISG's testimony that it never advertised or promoted the 1-800 number; and the lack of confusion evidence.

The Eleventh Circuit went beyond the record and simply made its own inference from ISG's use of the 1-800 number concluding that it was "particularly indicative of intent" and finding that the district court should have given that more significance. (App. A, at 18a). The appellate court is not permitted under the clearly erroneous standard of review to make such inferences, or require that the district court *infer* intent to confuse consumers from that evidence:

> An appellate court cannot substitute its interpretation of the evidence for that of the trial court simply because the reviewing court might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent.

Inwood Laboratories v. Ives Laboratories, 456 U.S. 844, 857-58.

C. The Rule of Appellate Review

This Court's decision in *Anderson* eliminated the freedom that some courts of appeal had thought they had to determine factual issues:

> This standard plainly does not entitle a reviewing court to reverse the finding of the trier of fact simply because it is convinced that it would have decided the case differently . . . If the district court's account of the evidence is plausible in light of the record viewed in its entirety, the court of appeals may not reverse it even though convinced that had it been sitting as the trier of fact, it would have weighed the evidence differently. Where there are two permissible views of the evidence, the fact finder's choice between them cannot be clearly erroneous.

470 U.S. at 573-74.

This Court recognized the need for litigants to expect an end to litigation of the factual issues at the conclusion of the trial and laid down the rule that a court of appeals is not a second forum in which to decide factual issues *de novo*; the authority of the district court to weigh the evidence and make credibility determinations is just that — authority:

> [T]he parties to a case on appeal have already been forced to concentrate their energies and resources on persuading the trial judge that their account of the facts is the correct one; requiring them to persuade three more judges at the appellate level is requiring too much . . . the trial on the merits

> should be the "main event" . . . rather than a tryout on the road . . . For these reasons, review of factual findings under the clearly erroneous standard — with its deference to the trier of fact — is the rule, not the exception.

Anderson, 470 U.S. at 575.

Although this Court has not discussed its holding in *Anderson* or the clearly erroneous standard of review in the context of a trademark case, in *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844 (1982), a pre-*Anderson* trademark decision, this Court applied the same reasoning when it reversed the court of appeals for substituting its view of the facts:

> An appellate court cannot substitute its interpretation of the evidence for that of the trial court simply because the reviewing court might give the facts another construction, resolve the ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent.

Inwood Laboratories v. Ives Laboratories, 456 U.S. at 848.

The critical issue of likelihood of confusion is highly factual and this case was no exception. The district court's decision was carefully made after hearing witness testimony, viewing physical samples of the products and documentary evidence and listening to expert interpretation of that evidence, on each of the seven likelihood of confusion factors. The Eleventh Circuit simply disagreed with the district court's weighing of the evidence, inferences taken

from that evidence, and credibility determinations, and then reversed the district court based largely on its conclusion that some of the evidence "could possible suggest" or "seems to suggest" another possible view. That is not a proper application of the clearly erroneous standard of review. The rules laid down by this Court must be followed with precision and an appellate court cannot be permitted to set aside the considered decision of the district court because it would have weighed the evidence differently and reached a different conclusion.

This Court should issue its writ of certiorari to review the decision of the Eleventh Circuit.

CONCLUSION

For the reasons stated above, this Court should issue its writ of certiorari and review the decision of the Eleventh Circuit, and resolve the conflict in the circuits regarding the presumption given an incontestable trademark under a likelihood of confusion analysis.

Respectfully submitted,

HARLEY S. TROPIN
GAIL A. MCQUILKIN
KOZYAK TROPIN
& THROCKMORTON, P.A.
200 S. Biscayne Blvd.
Suite 2800
Miami, Florida 33131
(305) 372-1800

MARC COOPER
Counsel of Record
200 S. Biscayne Blvd.
Suite 3850
Miami, Florida 33131
(305) 371-1597

Attorneys for Petitioner

APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT DATED AND FILED OCTOBER 18, 1999

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

No. 98-4153

D. C. Docket No. 96-1486-CIV-GRAHAM

FREHLING ENTERPRISES, INC.,
d.b.a. Oggetti,

Plaintiff-Appellant,
Counter-defendant,

versus

INTERNATIONAL SELECT GROUP, INC.,
d.b.a. Bell'Oggetti International Ltd.,

Defendant-Appellee,
Counter-claimant.

Appeal from the United States District Court
for the Southern District of Florida

October 18, 1999

Before ANDERSON, Chief Judge, MARCUS, Circuit Judge, and MILLS*, Senior District Judge.

---

* Honorable Richard H. Mills, Senior U.S. District Judge for the Central District of Illinois, sitting by designation.

Appendix A

ANDERSON, Chief Judge:

I. INTRODUCTION

This is a service mark infringement case. Plaintiff Frehling Enterprises, Inc. ("Frehling") claims that its registered "OGGETTI" mark is being infringed upon by Defendant International Select Group, Inc.'s ("ISG") "BELL'OGGETTI" mark. Frehling sells high-end decorative accessories and furniture for the home under its "OGGETTI" mark, and ISG sells ready-to-assemble furniture designed to house electronic equipment in the home under its "BELL'OGGETTI" mark. The district court held a bench trial and ruled in favor of ISG, finding that there was no likelihood of consumer confusion with respect to the two marks. Frehling appeals, and argues that the district court's finding as to the lack of a likelihood of confusion between the two marks was clearly erroneous.

II. STATEMENT OF FACTS

"OGGETTI" means "objects" in Italian. Robert Frehling, president of Frehling Enterprises, began using the mark in connection with his decorative furniture business in 1975. He adopted the name because many of Frehling's products were manufactured in Italy. He filed an application to register the mark with the Patent & Trademark Office in 1985. The application was accepted and the mark was accordingly registered as a service mark, thus receiving federal protection in 1985. Frehling's "OGGETTI" line is sold at department stores, like Macy's and Bloomingdale's, and is sold through various catalogs as well. In addition, Frehling owns

showrooms located in New York, Atlanta, and High Point, North Carolina, and leases many more, in Chicago, Los Angeles, and other major cities. The district court described "OGGETTI" furniture as high-end furniture sold in finer stores and noted that it was targeted at affluent consumers.

"BELL'OGGETTI" means "beautiful objects" in Italian. ISG began using this mark in 1989 in connection with its line of audio-visual furniture. In May 1990, ISG filed an application to register its mark with the Patent & Trademark Office, but was denied because of the perceived confusion that might arise in connection with the earlier-registered "OGGETTI" mark. Upon ISG's further application, however, the Office ruled in favor of ISG and permitted registration of the trademark.[1] ISG sells ready-to-assemble equipment-

---

1. The district court and ISG both note the fact that Frehling's mark is a service mark and ISG's mark is a trademark. Service marks identify services, whereas trademarks identify goods. However, this distinction has little legal significance in the instant case. The infringement analysis is the same under both standards and courts thus treat the two terms as interchangeable in adjudicating infringement claims. *See, e.g., Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1009 (5th Cir.), *cert. denied*, 423 U.S. 868 (1975); *Murphy v. Provident Mutual Life Ins., Co.*, 923 F.2d 923, 927 (2d Cir.), *cert. denied*, 502 U.S. 814 (1991); *Nutri/System, Inc. v. Con-Stan Indus., Inc.*, 809 F.2d 601, 604 (9th Cir. 1987); *see also Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981) (en banc) (adopting as binding precedent all of the decisions of the former Fifth Circuit handed down prior to the close of business on September 30, 1981). In this case, the "OGGETTI" mark, though registered as a service mark, is used to identify "OGGETTI" furniture — the service that is identified by the mark is the sale of that furniture to consumers and retailers.

(Cont'd)

containing furniture like stereo and television cabinets. ISG sells its furniture to mass market retail outlets, such as Circuit City and HiFi Buys, and also sells its products, as does Frehling, through catalogs.

In 1994, ISG procured the toll-free telephone number, "1-800-OGGETTI." This number was included on the enclosed instruction sheet accompanying the purchased product and detailing how to assemble the furniture. "BELL'OGGETTI" and "1-800-OGGETTI" appeared on the instruction sheet.

In 1995, Frehling president Robert Frehling saw an advertisement for BELL'OGGETTI in a *House Beautiful* magazine. He called ISG complaining of what he felt was service mark infringement. Shortly thereafter, he sent a demand letter asking ISG to cease using the mark and to cancel its registration. ISG refused, but did stop promoting

---

(Cont'd)

Thus, in effect, the mark operates like a combined service mark and trademark — the distribution and sale (of the furniture) are the services protected, while the furniture itself is the good protected. In any event, the district court did not hold that a service mark cannot be protected if the objectionable term used by the Defendant is a trademark, not a service mark, and ISG does not so argue to this court. The standard under the Lanham Act is the likelihood of confusion, and while the distinction between a trademark and a service mark may be relevant for registration purposes, it is not particularly relevant for the purposes of the likelihood of confusion analysis. Here, the goods (the furniture) are so intimately bound up with the services (the sale of the those goods) that distinguishing them is fruitless, and affects neither the analysis nor the disposition of the instant case.

the "1-800-OGGETTI" toll free phone number. It retained the phone number, but only printed and distributed the numeric toll free number. Frehling then filed suit under the Trademark (Lanham) Act, 15 U.S.C. §§ 1114 (infringement) and 1125(a) (dilution), and various state-law claims.[2] After a two day bench trial, the district court ruled in favor of ISG, finding that there was no likelihood of confusion so as to violate the Lanham Act, nor any cognizable claim under state law.

III. DISCUSSION

Under the Lanham Act, 15 U.S.C. § 1114(1), a defendant is liable for infringement, if, without consent, he uses "in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark" which "is likely to cause confusion, or to cause mistake, or to deceive." Thus, to prevail, a plaintiff must demonstrate (1) that its mark has priority and (2) that the defendant's mark is likely to cause consumer confusion. *See Lone Star Steakhouse & Saloon, Inc. v. Longhorn Steaks, Inc.*, 122 F.3d 1379, 1382 (11th Cir. 1997); *Dieter v. B & H Indus. of S.W. Fla., Inc.*, 880 F.2d 322, 326 (11th Cir. 1989), *cert. denied*, 498 U.S. 950 (1990). The priority of Frehling's mark is not in dispute, and thus the issue for this Court is whether the district court clearly erred in finding that there was no likelihood that consumers would confuse the two marks.

---

2. These state-law claims were for deceptive and unfair trade practices under Fla. Stat. ch. 501, false advertising under Fla. Stat. § 817.41, unfair competition under Florida common law, dilution under Fla. Stat. § 495.151, and dilution under Florida common law.

Appendix A

This Court considers the following seven factors in assessing whether or not a likelihood of consumer confusion exists:

1. Type of mark

2. Similarity of mark

3. Similarity of the products the marks represent

4. Similarity of the parties' retail outlets (trade channels) and customers

5. Similarity of advertising media

6. Defendant's intent

7. Actual confusion

See Lone Star, 122 F.3d at 1382. Of these, the type of mark and the evidence of actual confusion are the most important. *See Dieter*, 880 F.2d at 326. The findings as to each factor, and as to the ultimate conclusion regarding whether or not a likelihood of confusion existed, are subject to the clearly erroneous standard of review. *See id.* at 325.

1. *Type of Mark*

Classifying the type of mark Plaintiff has determines whether it is strong or weak. *See John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 973 (11th Cir. 1983).

The stronger the mark, the greater the scope of protection accorded it, the weaker the mark, the less trademark protection it receives. *See id.* at 973. There are four categories of marks: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary. *See Freedom Sav. & Loan Ass'n v. Way*, 757 F.2d 1176, 1182 (11th Cir.), *cert. denied*, 474 U.S. 845 (1985). The categories are based on the relationship between the name and the service or good it describes. *See John H. Harland Co.*, 711 F.2d at 974. Generic marks are the weakest and not entitled to protection — they refer to a class of which an individual service is a member (e.g., "liquor store" used in connection with the sale of liquor). *See Freedom Savings*, 757 F.2d at 1182-83 n.5. Descriptive marks describe a characteristic or quality of an article or service (e.g., "vision center" denoting a place where glasses are sold). *See id.* "Suggestive terms suggest characteristics of the goods and services and require an effort of the imagination by the consumer in order to be understood as descriptive." *Dieter*, 880 F.2d at 327 (internal quotation marks omitted). For instance, "penguin" would be suggestive of refrigerators. *See Freedom Savings*, 757 F.2d at 1182-83 n.5. An arbitrary mark is a word or phrase that bears no relationship to the product (e.g., "Sun Bank" is arbitrary when applied to banking services). *See id.* Arbitrary marks are the strongest of the four categories. *See id.*

Also important in gauging the strength of a mark is the degree to which third parties make use of the mark. *See John H. Harland Co.*, 711 F.2d at 974-75; *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 316 (5th Cir. July 20, 1981). The less that third parties use the mark, the stronger it is, and the more protection it deserves. *See John H. Harland Co.*, 711 F.2d at 975.

Finally, if a mark is "incontestable," that is, if it has been registered for five years with the Patent & Trademark Office, its holder has filed the affidavit required by 15 U.S.C. § 1065(3) with the Patent & Trademark Office, and the Patent & Trademark Office has accordingly declared the mark "incontestable," then the mark's incontestability serves to enhance its strength. *See Wilhelm Pudenz, GmbH v. Littlefuse, Inc.*, 177 F.3d 1204, 1208 (11th Cir. 1999); *Dieter*, 880 F.2d at 328-29.

In the instant case, the district court found that Frehling's "OGGETTI" mark was suggestive.[3] The court found that the mark was adopted to create an Italian connotation (because the products were manufactured in Italy) and that the mark suggests or describes a significant number of products that Frehling produces — that is, fine, decorative "objects d'art." The court held that, as a suggestive mark, Frehling's mark is entitled to protection without any showing of secondary

3. Under the "doctrine of foreign equivalents," a word from another language that is commonly used in that language as the generic name of a product cannot be imported into the United States and thereby transformed into a valid trademark. *See* 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 12:41, at 12-83 (4th ed. 1996). Thus, in the strength-of-mark analysis, foreign words are translated into English before being tested for descriptiveness or genericness. *See id.* As noted above, "OGGETTI" is the Italian word for the English word "objects." At oral argument, ISG's counsel disclaimed any argument that the doctrine of foreign equivalents made Frehling's mark generic, and conceded that the district court did not clearly err in characterizing Frehling's "OGGETTI" mark as suggestive. Consequently, we have no need to address the possible impact of the foreign equivalents doctrine in the instant case.

meaning, but failed to quantify the mark as a strong one. We are persuaded that the mark is indeed a strong one, and thus we conclude that the district court clearly erred in not attributing the proper strength to the mark that it was due under the case law.

In particular, the district court did not address the lack of third-party use of Frehling's mark in gauging the mark's strength. The case law is clear that such lack of third-party use should be considered in assessing the strength of a mark. *See, e.g., John H. Harland Co.*, 711 F.2d at 973-75 (collecting cases standing for the proposition that extent of third-party use is an important factor in determining the distinctiveness and thus the strength of the mark); *Sun Banks*, 651 F.2d at 313 (same); 2 McCarthy, *supra*, § 11.88 (same). Where there is a lack of third-party use, the mark's strength is enhanced, as it is more distinctive, and therefore more easily recognized by consumers. *See Sun Banks*, 651 F.2d at 313. The record indicates that the "OGGETTI" mark was not used by third parties, thereby contributing to its distinctiveness and enhancing its strength. Thus, by failing to recognize the lack of third-party use of Frehling's mark and by not inserting that fact into its calculation of the strength of Frehling's mark, the district court erred.

Moreover, the district court failed to consider the fact that Frehling's mark is incontestable and therefore constitutes a "relatively strong mark." *See Wilhelm Pudenz*, 177 F.3d at 1208; *Dieter*, 880 F.2d at 329. Like the lack of third-party use, this is a factor that should have contributed to the strength of the mark, but which the district court failed to mention in its discussion of the mark's type. In sum, a proper

assessment of the "OGGETTI" mark's strength reveals that the first factor in the analysis — the type of mark — clearly favors Frehling.

2. *Similarity of the Marks*

Here, the court compares the marks and considers the overall impressions that the marks create, including the sound, appearance, and manner in which they are used. *See John H. Harland Co.*, 711 F.2d at 975-76. In the instant case, the district court found that although the marks both include the Italian term "OGGETTI," they are not similar because ISG adduced evidence showing that Frehling often used the words "Tavola Collection" in connection with its "OGGETTI" mark. According to the court, these extra words — "Tavola Collection" — render the marks dissimilar and significantly reduce the likelihood that consumers would confuse "OGGETTI" with "BELL'OGGETTI." The court concluded that this factor favored ISG.

We are persuaded, however, that the marks are very similar, and that this factor strongly favors Frehling; the district court clearly erred in concluding otherwise. ISG's "BELL'OGGETTI" mark is extremely similar to Frehling's "OGGETTI" mark in that the dominant focus in both marks is the Italian term "OGGETTI." Both parties stylize their marks in like fashion, using all capital letters. "BELL'OGGETTI" entirely encompasses "OGGETTI" and merely adds a descriptive adjective "BELL' " meaning "beautiful" to the dominant portion of the mark — the noun "OGGETTI," meaning objects. Thus, the overall impression the marks create is one of striking similarity — they are

strikingly similar in sight, sound, and meaning. Moreover, the manner in which they are used is similar in that both are used in advertising to denote home furnishings. In sum, then, the instant comparison reveals the sort of high degree of similarity between marks that portends a likelihood of consumer confusion. Given this palpable similarity, we hold that the "similarity of marks" factor strongly favors Frehling.

In finding the marks dissimilar, the district court's considerable reliance on the fact that Frehling's mark often appeared as "Tavola Collection by OGGETTI" is misplaced. The underlying purpose in considering the similarity of marks as an indicator of likelihood of confusion is that the closer the marks are, the more likely reasonable consumers will mistake the source of the product that each mark represents. The probability of this potential confusion is the touchstone. In the instant case, Frehling's use of the phrase "Tavola Collection by OGGETTI" clearly attributes the source of the product to "OGGETTI" in that the words "by OGGETTI" are used in conjunction with the words "Tavola Collection." The words "Tavola Collection" suggest that they represent but a single product line or signature collection of "OGGETTI." The use of these words, contrary to the upshot of the district court's holding, does not undermine the attribution of the source of the products to "OGGETTI"; a mark may be surrounded by additional words of lesser importance and not have its strength diluted. *See Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 154-55 (6th Cir. 1973). Notwithstanding the phrase "Tavola Collection," "OGGETTI" is still the dominant portion of the mark, and clearly designates the source of the product. Thus, given the striking similarity between

Frehling's "OGGETTI" mark and ISG's "BELL'OGGETTI" mark, it seems highly probable that a reasonable consumer could likely be confused as to the source of the products that each mark represents. The inclusion of the words "Tavola Collection" does little to reduce the danger of that potential confusion in light of the overwhelming similarity of the marks, and thus the district court clearly erred in concluding otherwise and in finding that this factor favored ISG.

3. *Similarity of the Goods*

This factor requires a determination as to whether the products are the kind that the public attributes to a single source, not whether or not the purchasing public can readily distinguish between the products of the respective parties. *See E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l Imports, Inc.*, 756 F.2d 1525, 1530 (11th Cir. 1985). In the instant case, the district court found that the products were not similar, holding that they were not similar in function or design. The court focused on the differences in composition: "BELL'OGGETTI" furniture was typically made of metal and tempered glass and came in ready-to-assemble form and was meant to house electronic equipment, whereas "OGGETTI" furniture was made of more "exotic" material like wood, marble, stone, or shell veneer, was marketed and designed to appear unique, and was meant mainly for decoration.

The district court noted that it was unpersuaded by Frehling's evidence which attempted to show that "OGGETTI" offered custom-made armoires to house television sets, thus serving the same function as

"BELL'OGGETTI" furniture, housing electronic components, because the "OGGETTI" armoires were made of wood, not black metal, and further were not ready-to-assemble, and were more expensive than their "BELL'OGGETTI" counterparts. The district court thus concluded that the products were different in function, design, style, and price. It accordingly noted that this factor favored the Defendant.

Although we hesitate to attach a clearly erroneous label to the district court's finding that the parties' products were dissimilar, we are persuaded that the district court improperly weighed this evidence in the overall balance of the likelihood of confusion analysis. In other words, we find that the outcome as to this factor is far closer than the district court indicated and thus does not clearly favor ISG.

In *E. Remy Martin*, our Court reversed the lower court's finding that wine and cognac or brandy were dissimilar "to the drinking world." 756 F.2d at 1530. For our Court, the test was not whether the goods could be distinguished, as they could be by any drinker, but whether the goods are so related in the minds of consumers that they get the sense that a single producer is likely to put out both goods. *See id.* Thus, in *E. Remy Martin*, it was not unreasonable to conclude that a maker of wine could also produce brandy. *See id.*

Viewing the instant case in this light, a reasonable consumer could possibly attribute the products here to the same source — both products are home furnishings. While the compositional differences matter, they are not dispositive; we focus, rather, on the reasonable belief of the average

consumer as to what the likely source of the goods was. In this case, it is not unreasonable to fathom that the goods emanate from the same source. Both products are furniture pieces, designed for the home, and both have the capability to house electronic equipment. In addition, both products are marketed as having an Italian design and thus a consumer could, on this basis alone, given that both marks connote furniture, attribute the products to one source given the shared Italian theme.

Therefore, although the products are somewhat dissimilar in composition, function, and design, they are similar in that they are both home furnishings sold under a very similar Italian label, and hence it seems possible that a consumer could attribute both products to a single source. While this possibility is perhaps not strong enough to suggest a likelihood of consumer confusion, neither is it so remote as to raise the opposite inference — that a reasonable consumer would likely not be confused. Thus, to the extent that the district court found that this factor favored ISG significantly, we find that the attribution of such weight to this factor in ISG's favor was clearly erroneous.

4. *Similarity of the Parties' Retail Outlets (Trade Channels) and Customers*

"Dissimilarities between the retail outlets for and the predominant customers of plaintiff's and defendant's goods lessen the possibility of confusion, mistake, or deception." *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 262 (5th Cir.), *cert. denied*, 449 U.S. 899 (1980). This factor takes into consideration where, how, and to whom the parties'

products are sold. *See* 4 McCarthy, *supra*, § 24:51, at 24-71. Direct competition between the parties is not required for this factor to weigh in favor of a likelihood of confusion, *see Jaguar Cars Ltd. v. Skandrani*, 771 F. Supp. 1178, 1184 (S.D. Fla. 1991), though evidence that the products are sold in the same stores is certainly strong. The parties' outlets and customer bases need not be identical, but some degree of overlap should be present. In the instant case, the district court found that "OGGETTI" was directed at more affluent consumers and thus was found in "higher-end" department stores like Macy's and Bloomingdale's. On the other hand, the court concluded that "BELL'OGGETTI" was aimed at less affluent consumers who shopped in mass market retail outlets, like Circuit City and Sears. Given this disparity, the district court concluded that this factor favored ISG.

As with the similarity of products factor, we find that the district court's conclusion with respect to the instant factor, while not clearly erroneous, does not militate heavily in favor of ISG, if at all. We are troubled by the district court's methodology of dividing the world up into distinct segments of "affluent" and "less affluent" for the purpose of determining the balance of the instant factor. Common sense suggests such a categorical distinction is tenuous. *See* 4 McCarthy, *supra*, § 24:52, at 24-74-75 ("[I]t may be difficult to draw a line between those consumers who shop at 'class' retailers and those who shop at 'mass' retailers because of those consumers who 'cross-shop' and frequent both types of retailers."). In other words, affluent people shop at Sears and less affluent people shop at Macy's. Hence, there would seem to be overlap in customer base even though the retail outlets where the parties' products are sold are not

exactly the same. Furthermore, "OGGETTI" presented evidence that it sells to consumers through catalogs, as does BELL'OGGETTI, and that both companies are expanding their operations to the Internet. In addition, both companies sell their wares to and through interior designers. Lastly, the similarity of advertising media, discussed *infra*, suggests that the parties indeed target the same types of customers, evidenced by their advertisements in similar types of magazines, like *Architectural Digest* and *House Beautiful*, for instance. With these facts in hand, we conclude that the district court clearly erred by weighing this factor too heavily in favor of ISG; rather, we see the balance on this factor as much closer than the district court found it to be.

5. *Similarity of Advertising Media*

This factor looks to each party's method of advertising. *See John H. Harland Co.*, 711 F.2d at 976. In the instant case, both parties advertise in print media, including magazines, newspapers, catalogs, and direct mailings. The district court found, however, that because ISG advertises primarily through electronics publications, like *Stereo Review*, and Frehling does not advertise in those publications, that the parties do not advertise through the same media. Again, this finding is somewhat suspect, and certainly does not militate strongly in favor of ISG.

Evidence was presented below demonstrating that in addition to advertising in electronics publications, ISG advertised in home magazines, like *Design Times* and *House Beautiful*. Indeed, at oral argument, ISG conceded that for two years, one-quarter of its advertising was in *House*

Beautiful. Frehling adduced evidence that "OGGETTI" advertises in the same genre of home magazines as "BELL'OGGETTI," including *Interior Design* and *Architectural Digest*. ISG argued, and the district court accepted, the premise that the parties have never advertised in the same publication and therefore the advertising media used by the parties were not similar.

This argument does not fairly represent the proper legal standard, however. Identity of periodicals is not required; the standard is whether there is likely to be significant enough overlap in the readership of the publications in which the parties advertise that a possibility of confusion could result. *See Safeway Stores, Inc. v. Safeway Discount Drugs, Inc.*, 675 F.2d 1160, 1166 (11th Cir. 1982). With respect to the magazines listed above, i.e., *Architectural Digest* and *House Beautiful*, such a significant overlap seemingly exists. Thus, many of the same consumers would be exposed to both magazines, and by derivation, both marks. Though the parties do not advertise in exactly the same periodicals, they both advertise in periodicals, and very similar ones at that. Consequently, the advertising factor seems to favor Frehling, and the district court's conclusion that the instant factor favors ISG strikes us as incorrect.

6. *Defendant's Intent*

If it can be shown that a defendant adopted a plaintiff's mark with the intention of deriving a benefit from the plaintiff's business reputation, this fact alone may be enough to justify the inference that there is confusing similarity. *See John H. Harland Co.*, 711 F.2d at 977. In the instant case,

the district court found that there was no conscious intent to capitalize on Frehling's business reputation on the part of ISG, but that ISG was "intentionally blind" in deciding to adopt the "BELL'OGGETTI" mark, and accordingly noted that this factor favored Frehling.

On appeal, Frehling points out that this intentional blindness was manifested by ISG's failure to conduct a trademark search before attempting to register its "BELL'OGGETTI" mark in 1990. In addition, Frehling notes that after ISG's request to register the "BELL'OGGETTI" mark was refused by the Patent & Trademark Office because of the potential likelihood that it may be confused with Frehling's earlier-registered "OGGETTI" mark, ISG continued to pursue the use of its "BELL'OGGETTI" mark, without making any attempt to contact Frehling or to explore the potential likelihood of confusion between the two marks. In other words, ISG clearly had notice as to the strong similarity of the marks and hence was aware that they may be confused and yet continued to use the "BELL'OGGETTI" mark. Moreover, given this knowledge, Frehling asserts that ISG's later adoption of the 1-800-OGGETTI toll free number is particularly indicative of improper intent. Indeed, the 1-800 number constitutes a direct replication of Frehling's "OGGETTI" mark. Furthermore, ISG continued to use the 1-800 number despite Frehling's repeated objections and contrary to the advice of ISG's own counsel. Given the totality of this evidence, we agree with the district court that ISG's behavior displays an improper intent through intentional blindness and, given the demonstrated prevalence of this improper intent, we accordingly conclude that this factor weighs substantially in Frehling's favor.

Appendix A

7. *Actual confusion*

It is undisputed that evidence of actual confusion is the best evidence of a likelihood of confusion. *See John H. Harland Co.*, 711 F.2d at 978. However, such evidence is not a prerequisite, and thus it is up to individual courts to assess this factor in light of the particular facts of each case. *See Amstar*, 615 F.2d at 263. The district found that Frehling had not made a showing of actual confusion.

At trial, the Plaintiff did offer some evidence of actual confusion.[4] The principal evidence of actual confusion adduced at trial was Robert Frehling's testimony that a professional "BELL'OGGETTI" buyer, along with his wife, visited an "OGGETTI" showroom in High Point, North Carolina. Apparently, the man mistakenly believed that he was in a "BELL'OGGETTI" store. He could not understand why the showroom sign said only "OGGETTI" and not

4. On appeal, Frehling invites this Court to take judicial notice of two additional incidents that it claims demonstrate actual confusion. We decline to take judicial notice of these additional incidents for several reasons. *See Shahar v. Bowers*, 120 F.3d 211, 212 (11th Cir. 1997) (en banc), *cert. denied*, 118 S. Ct. 693 (1998). First, it is not our practice to consider on appeal facts that were not before the trial court. Second, these types of facts are not of the type that may be judicially noticed anyway; for example, they are not matters of authentic public record and are not otherwise "capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fed. R. Evid. 201(b)(2). Consequently, Frehling's Motion to Take Judicial Notice of Certain Facts on Appeal is denied, and therefore we do not consider the additional instances of alleged confusion in our analysis of whether a showing of actual confusion was made in the instant case.

"BELL'OGGETTI." The district court admitted this testimony, but assigned little weight to it, concluding that it was self-serving and vague, seemingly because the confused buyer's name could not be recalled.

On appeal, Frehling characterizes the evidence as much more probative. In support of its argument that this incident embodies compelling evidence of actual confusion, Frehling points out that it is not the number of people actually confused by the marks that is important, but rather the type of person confused. This notion is supported by the case law. *See Safeway Stores*, 675 F.2d at 1167 (noting that "the people confused are precisely those whose confusion is most significant: a supplier, presumably relatively familiar with an enterprise since he is actually providing it with goods, and a customer, without whom the business would not exist").

In the instant case, the type of person confused was telling: a professional buyer for "BELL'OGGETTI," visiting a company showroom. As noted above, the district court did not mention this point, but instead seemed to discount the entire incident as constituting vague and, hence, unpersuasive evidence. The court, however, did not expressly make a finding that Frehling's testimony was not credible, and the fact that Frehling could not remember the buyer's name does not seem significant enough that it would strip the testimony of all its credibility and relative weight. Thus, in light of the reasoning in *Safeway Stores* — that the confusion of someone very familiar with the enterprise (like the professional buyer in the instant case) is relevant evidence of actual confusion — we conclude that the above incident was at least sufficient

to raise an inference of actual confusion, but we conclude that the outcome as to this factor is not sufficiently dispositive so as to favor either side in an appreciable fashion.[5]

Evaluating the overall balance of the seven above factors, we hold that Frehling demonstrated a likelihood that its senior "OGGETTI" mark would be confused with ISG's junior "BELL'OGGETTI" mark. We hold that the district court's conclusion to the contrary, that there was no likelihood of confusion, was clearly erroneous. In so holding, we conclude that factors one, strength of the mark, two, similarity of the marks, and six, defendant's intent, weigh in Frehling's favor, with particular emphasis on how similar the sight, sound, and usage of the marks were. We conclude that factors three,

---

5. The only other evidence of actual confusion was excluded by the district court as double hearsay. It involved an incident in which a telephone operator was confused with respect to the 1-800-OGGETTI number. Frehling challenges the exclusion on appeal, but because we find the evidence would have been entitled to very little relative weight even if admitted, we decline to address whether or not it was properly excluded. *See* 3 McCarthy, *supra*, § 23:13, at 23-41 (noting that evidence demonstrating the confusion of telephone operators is often not particularly probative of actual confusion and is often due more to carelessness than to actual confusion).

We also note that ISG argued at trial that Frehling had not proffered any survey evidence demonstrating actual confusion and therefore a presumption against such confusion should apply. This Circuit, however, has moved away from relying on survey evidence. *See Safeway Stores*, 675 F.2d at 1167 n.10. Thus, the failure to adduce such evidence is not damaging to the Plaintiff's case. The district court correctly held that the lack of survey evidence was not dispositive.

similarity of goods, and four, similarity of trade channels and customers, did not weigh heavily in favor of ISG; to the extent that the district court weighed these factors strongly in ISG's favor so as to preclude a finding of a likelihood of confusion, we hold that the attribution of such significant weight to those factors was clearly erroneous. With respect to factor five, similarity of advertising media, we conclude that the district court applied an improper legal standard, and that, applying the correct legal standard, it is clear, at the very least, this factor does not favor ISG. With respect to factor seven, actual confusion, we find that this factor favored neither side. In sum, we are persuaded that Frehling demonstrated a likelihood that a reasonable consumer would be confused by the two marks and would likely be confused as to the source of the goods that each mark represents,[6] and that the district court's contrary conclusion was clearly erroneous.

IV. CONCLUSION

For the foregoing reasons, we reverse the judgment of the district court and remand the case for further proceedings consistent with this opinion.

REVERSED AND REMANDED.

---

6. We construe Frehling's briefs on appeal to have abandoned Count VII (state common-law dilution). However, with respect to Frehling's other state-law claims, because the district court erred in finding no likelihood of confusion, and that erroneous ruling likely informed the district court's ruling on the similar state-law claims, the district court should reconsider those state-law claims on remand.

APPENDIX B — FINDINGS OF FACT AND CONCLUSIONS OF LAW OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA DATED AND FILED DECEMBER 30, 1997

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 96-1486-CIV-GRAHAM

FREHLING ENTERPRISES, INC.
D/B/A OGGETTI,

Plaintiff,

vs.

INTERNATIONAL SELECT GROUP, INC. D/B/A
BELL'OGGETTI INTERNATIONAL, LTD.,

Defendant.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

THIS ACTION came on for trial before the Court, Honorable Donald L. Graham, United States District Judge, presiding, and the issues having been duly tried, pursuant to Fed. R. Civ. P. 52.

This Court has jurisdiction pursuant to 28 U.S.C. §§ 1338, 1367, 2201 and 2202 as well as the principles of supplemental jurisdiction. The Court hereby makes Findings of Facts and Conclusions of Law as stated below:

Appendix B

I. FINDINGS OF FACT

A. Procedural History

1. Origin Of Dispute

In December 1995, International Select Group, Inc., ("ISG" or "Bell'Oggetti") advertised in *House Beautiful* magazine. Plaintiff's, Frehling Enterprises, Inc. ("Frehling"), president and founder, Robert Frehling, came across the December 1995 advertisement and complained to ISG that its use of the Bell'Oggetti mark was infringing on his Oggetti mark.

On December 14, 1995, Frehling sent a demand letter that Defendant cease its use of the Bell'Oggetti mark and cancel its registration. Frehling filed this lawsuit for trademark infringement and related claims on June 3, 1996.

Plaintiff asserts an exclusive right to use its federally registered trademark "Oggetti." Frehling has used its trademark in connection with furniture, decorative accessories, art objects, gifts, desk accessories, and distribution services for the goods of others in the field of furniture, decorative accessories, art objects, gifts and desk accessories. Defendant, manufactures and distributes, in connection with its registered trademark "BELL'OGGETTI", black metal and tempered glass equipment for furniture engineered to house consumer electronic components.

Appendix B

B. Claims

Plaintiff has brought this action under § 32 of the Trademark Act of 1946 as amended (the "Lanham Act") 15 U.S.C. § 1114 for infringement of Frehling's trademark; Section 43(a) of the Lanham Act 15 U.S.C. § 1125(a); Florida Statutes Chapters 495, 501 and 817 *et seq.*; and under the common law of Florida. ISG filed its counterclaims against Frehling on August 19, 1996 for non-infringement of mark and common law dilution of mark.

C. Frehling's Business

In 1975, Frehling commenced its business distributing decorative furnishings on the wholesale level and selling decorative furnishings on the wholesale and retail levels. In connection with its business in 1975, Frehling adopted the mark Oggetti.

Frehling adopted its mark because at the inception of its business many of its products were manufactured in Italy. Frehling owns and operates its own showrooms in New York, New York, High Point, North Carolina, and Atlanta, Georgia. Frehling's sales have grown over the years, approaching nearly four million dollars for the first time in 1996.

On January 8, 1985, Frehling obtained United States Trademark Registration No. 1,313,990 in connection with "distributionship services for goods of others in the field of furniture, decorative accessories, gifts, and related items." An affidavit under 15 U.S.C. §§ 1058 and 1065 was filed with the U.S. Patent and Trademark Office and was accepted in connection with such registration.

Appendix B

D. ISG's Business

In 1971, ISG's Vice President of Design, Phil de Carolis ("de Carolis"), began using the Bell'Oggetti mark in his individual capacity in connection with the sale of mirrors, lamps, tables, marble furniture, and other items. He used the name continuously from 1971 to 1989. In 1989, de Carolis suggested that Edward Stravitz ("Stravitz"), the founder of ISG, use the Bell'Oggetti name in connection with the sale of audio-visual furniture. In 1989, Stravitz formed ISG and began using the BELL'OGGETTI mark in connection with the sale of its furniture.

On March 14, 1990, ISG filed an application to register the BELL'OGGETTI trademark with the United States Patent and Trademark Office ("USPTO"). The USPTO denied ISG's application on the grounds that the OGGETTI mark might be confused with the BELL'OGGETTI mark. After further examination, the USPTO ruled in favor of registration of the BELL'OGGETTI mark.

On August 20, 1991, the BELL'OGGETTI trademark registration was published in the USPTO's Official Gazette. On November 12, 1991, the USPTO issued federal trademark registration number 1,664,147 for the use of the BELL'OGGETTI mark in connection with "furniture."

E. Toll Free Number

In 1994, ISG purchased a toll free number. The toll free number was 1-800-OGGETTI. Every piece of furniture that ISG sold, since approximately September of 1994, included

an instruction sheet stating that customers could call the toll free number for customer information. On the instruction sheet the name Bell'Oggetti and 1-800-Oggetti appear.

The customers, however, received the 1-800-Oggetti toll free number only after they purchased the product. Immediately after ISG received the December 14, 1995 demand letter, it ceased the use of sending out the number. However, ISG could not stop using the toll free number because they believed it would seriously harm the company. Thereafter, ISG printed and distributed the numeric toll free number only.

II. GENERAL FACTS

A. Type of Mark

Frehling has a federal service mark registration for "distributorship services for goods of others in the field of furniture, decorative accessories, gifts, and related items." ISG's federal trademark registration is for furniture and not for distribution services.

B. The Mark

The Oggetti mark and the Bell'Oggetti mark are similar in that they share the word "Oggetti." The word "Oggetti" is derived from the Italian language. The English translation of Oggetti is object. In connection with its fine furniture line, Plaintiff uses the Oggetti mark in conjunction with the word Tavola. In fact, Frehling's fine furniture line is called Tavola or Tavola Collection by Oggetti.

Appendix B

C. The Products

1. Frehling's Products

Frehling imports and distributes high-end decorative accessories, home furnishings, and furniture. Frehling's furniture is typically made of exotic material such as marble, stone, wood, or shell veneer. Between eleven and fifteen percent of Frehling's business is in the importation of fine furniture. The remaining eighty-five to eighty-nine percent of Frehling's total business is in decorative accessories and home furnishings. None of Frehling's furniture is specifically designed to house consumer electronics. However, Frehling does offer special order custom-made armoires that may be designed to house a television set. In 1995, Frehling sold between five and ten of these custom-made armoires. Frehling's furniture sells at prices starting at $485.00 for a folding trolley to $7,306.00 for a Versailles bombe chest.

2. ISG's Products

ISG manufactures and distributes black metal and tempered glass furniture engineered to house consumer electronic components. ISG's furniture is sold only as "knock downs" or "ready-to-assemble." This means that the consumer must assemble the pre-packaged furniture. ISG's furniture sells at suggested retail prices from $199.95 for a TV/VCR stand to $2,850 for a multi-piece full home theater.

Appendix B

D. The Retail Outlets

1. Frehling's Trade Channels

Frehling owns and operates its own interior design showrooms in New York, New York, High Point, North Carolina, and Atlanta, Georgia, and a representative's showroom in Los Angeles, California. Frehling also has a network of seven representatives that covers the entire United States. They have twenty showrooms and maintain a presence in every major marketing area where there is a center for design showrooms. These locations include: the D & D Building in New York, the Merchandise Mart in Chicago, and the DCOTA in Dania, Florida. Frehling merchandise is sold to interior designers, decorators, architects, and contractors. Frehling does not sell its products to mass marketers because they believe that it would devalue its product.

2. ISG's Trade Channels

ISG sells approximately ninety-eight percent of its products through audio-video outlets and mass market stores. ISG sells its merchandise to Circuit City, Sound Advice, Nobody Beats the Wiz, HiFi Buys, Harvey Electronics, J.R. Music, and Tweeter.

E. Advertising Media

1. Frehling Advertising

Frehling has advertised its furniture in magazines such as *Interior Design*, *Texas Homes*, *Designer West* and

Architectural Digest. Frehling does a lot of direct mail advertising. Frehling has a cooperative advertising program where they share the cost of advertising with their dealers. Frehling also advertises in the *New York Times*.

2. ISG Advertising

The major emphasis in ISG's advertising is to place advertisements in magazines geared to audio/video equipment. ISG has advertised in *Audio Magazine*, *Stereo Review*, *Audio/Video Interiors*, *Office World News*, *Sound and Image*, *Design Times*, and *House Beautiful*. ISG also uses print media, trade shows, catalogs, dealer advertising, consumer brochures, direct mail, point of sale materials and shelf signs.

In December of 1996, ISG placed advertisements in *House Beautiful* introducing its new line of home office furniture. The advertisement was cross advertising and featured both home office and electronic components in the same room.

In June/July 1997, ISG advertised in *Design Times* magazine, referring to its lines as home office furnishing as well as electronic components. In the *Design Times* advertisement, ISG lists retail dealers in specific geographic areas.

Appendix B

F. Actual Confusion

1. Frehling's Contention of Actual Confusion

Frehling claims to have produced evidence of two instances of actual confusion. In October 1996, one of ISG's customers allegedly visited the Frehling showroom in High Point, North Carolina and inquired whether Oggetti was related to Bell'Oggetti. The alleged customer was never identified and there were no witnesses to the alleged conversation.

The second incident occurred in November 1996 when a Sprint operator allegedly expressed confusion when a Frehling employee sought to obtain a toll free 1-800-OGGETTI number. The Sprint operator told the Frehling employee that "you already have the number." In fact, ISG was the one who had purchased the 1-800-OGGETTI number.

2. Evidence Of Actual Confusion.

The Defendant contends that the Plaintiff has not established any reliable evidence of actual confusion. While evidence of actual confusion is the best evidence of likelihood of confusion, it is not necessary that the Plaintiff have such evidence in order to make a prima facie case for infringement.

G. Strength of Mark

In the home furnishings area, there are very few consumers that recognize the marks; consumers buy

merchandise that they appreciate. Oggetti is not a strong mark in the furniture market and few retail buyers would even recognize it. Generally, the customer does not care about the name unless it is a collectible.

H. Expert Witnesses

1. Frehling's Expert Witness

Plaintiff produced Gary D. Krugman ("Krugman") to testify as its expert witness. Krugman testified that ISG's expert, Steven Fishkin ("Fishkin"), was incorrect when he stated that there is no way that people could confuse the Oggetti furniture with Bell'Oggetti furniture. Krugman testified that if one accepts Fishkin's testimony then one could never have a case for confusion. The Court does not agree that a finding of lack of confusion in this case mandates the same result in other cases with distinguishable facts.

ISG pointed out that Krugman never looked at an actual product prior to reaching his opinion. He spoke to no customers, and has no idea of what the customer's actual perception is. Krugman did not perform a market place survey, and he did not rely on any actual evidence of confusion. In fact, Krugman found that "any evidence of actual confusion was minimal or suspect" and he did not give it weight in his report or his analysis.

2. ISG's Expert Witness

ISG contends that for four years after ISG registered its mark there was absolutely no confusion between the parties

use of their marks. In support of their position, ISG produced Fishkin to testify as an expert in retail merchandising. Fishkin was a furniture industry executive for over 30 years. He began his career at Burdines, and then became a Vice President at Jordan Marsh. Later, he worked at Gimbles as an Executive Vice President in decorative furniture and electronics. He became Executive Vice President at Carson Pirie Scott in Chicago and was in charge of all home furnishings including furniture, electronics, and televisions. He also worked at Montgomery Wards where he was responsible for sales promotion and advertising of home furnishings.

Fishkin analyzed the Frehling merchandise at Nessa Galla, a decorative home furnishing store in Bal Harbor, owned by the Frehlings. He went to Circuit City and saw the Bell'Oggetti product. He studied the Bell'Oggetti trademark and compared it to the Oggetti trademark. He looked at the advertising for both Frehling and ISG and reviewed the catalogues in which they advertised.

Fishkin concluded that the Frehling product was decorative, fine, and sophisticated. Fishkin described the ISG product as ready-to-assemble furniture that is the top end of a low-end business. He did not find the ISG products to be similar to the Frehling products.

Fishkin testified that these companies do not compete. He believes that they do not target the sale of their products to the same customer. He also testified that they sell their products through different trade channels.

Fishkin concluded, by looking at the amount and type of advertising, that Frehling does not do a lot of print

advertising and relies primarily on decorators and interior designers to advertise its products.

III. CONCLUSIONS OF LAW

A. Counts I, II, III and V

Under Counts I, II, III and V, Frehling has brought a cause of action for service mark infringement under 15 U.S.C. § 1114, unfair competition under 15 U.S.C. § 1125, deceptive and unfair trade practices under Fla. Stat. § 501, and unfair competition under Florida common law.

In order to establish a prima facie case for service mark infringement, Frehling must show (1) that its mark has priority; and (2) that ISG's mark is likely to cause consumer confusion. *Lone Star Steakhouse v. Longhorn Steaks*, 122 F.3d 1379 (11th Cir. 1997); Lanham Trademark Act, § 32, 15 U.S.C.A. § 1114(1)(a).

Although ISG offered some evidence that de Carolis used the Bell'Oggetti mark prior to 1985, the Court finds that Frehling has established the first element and that its mark has priority. Therefore, the central issue for this Court to decide is whether Plaintiff has established the second element: that the Bell'Oggetti mark is likely to cause consumer confusion. In determining the likelihood of confusion between two marks, the Eleventh Circuit requires this Court to analyze the following seven factors:

(1) type of mark;

(2) similarity of marks;

(3) similarity of the products the marks represent;

(4) similarity of the parties' retail outlets and customers;

(5) similarity of the advertising media used;

(6) defendants intent; and

(7) actual confusion.

See Dieter v. B & H Industries of Southwest Florida, Inc., 880 F.2d 322, 326 (11th Cir. 1989); *Freedom Sav. and Loan Ass'n v. Way*, 757 F.2d 1176, 1182 (11th Cir.), *cert denied*, 474 U.S. 845, 106 S.Ct. 134 (1985). Of the seven factors, the type of mark and evidence of actual confusion are the two most important factors. *Dieter* 880 F.2d at 326. However, there are no set rules to determine the amount of evidence of confusion that is sufficient. This Court will consider the circumstances of this particular case. *Id.*

1. The Type of Mark

Generally, there are four categories of trademarks: (1) generic; (2) descriptive; (3) suggestive; and (4) arbitrary. *American Television v. American Communications*, 810 F.2d 1546 (11th Cir. 1987). When Frehling adopted the Oggetti mark, he intended to create an Italian connotation because at the inception of his business most of his products were manufactured in Italy. The Court notes that the majority of Plaintiff's sales were in decorative accessories or Objects d'Art. The word "objects" is suggestive of and in fact

describes, albeit in Italian, a significant number of Plaintiff's products.

Similarly, the Court finds that in choosing the Bell'Oggetti mark, Defendant also intended to create an Italian connotation. In particular, Defendant intended to create an image of modern Italian design. The Court finds that both the term Oggetti and Bell'Oggetti are suggestive designations and protectable without any showing of secondary meaning.

2. Similarity of Marks

In analyzing the similarity of marks, the Court considers the overall impression that the mark creates, including the sound, appearance, and manner in which the mark is used. *John H. Harland Co. v. Clark Checks, Inc.*, 711 F.2d 966, 975-76 (11th Cir. 1983). Plaintiff and Defendant both use the term Oggetti in their marks. Plaintiff contends that Oggetti is the dominant term in both marks. Defendant, however, produced evidence that in connection with the sale of furniture Plaintiff uses the term Tavola. Tavola appears in large block letters followed by "collection by Oggetti." In the context of this case, however, neither term is dominant.

Thus, the Court finds that the marks are not similar and retailers or consumers are unlikely to believe that Oggetti is associated with Bell'Oggetti. This factor favors the Defendant.

Appendix B

3. Similarity of the Products

The products are not similar in either function or design. ISG sells black metal and tempered glass furniture specifically designed and engineered to house electronic components. The ISG products are prepackaged and must be assembled by the purchaser. It is unlikely that one who purchases an ISG product would believe that it is unique.

In contrast, Frehling imports and distributes high-end decorative accessories, home furnishings, and furniture. Frehling's furniture is typically made of exotic material such as marble, stone, wood, or shell veneer. The product is designed and marketed to appear unique. In an effort to establish that the products are similar, the Plaintiff produced evidence that it sells custom-made armoires that may be designed to house television sets. However, the armoires are custom made out of wood rather than ready-to-assemble black metal units like ISG's.

The Court finds that the products are significantly different in function, design, style, and price. This factor favors the Defendant.

4. Similarity of the Parties Retail Outlets

Frehling sells its products in Bloomingdales, Macy's, Saks, Burdines, Carson Pirie Scott, Stein Mart, Plunckets, Roche — Dubois, and Theodores. Fishkin testified that these retailers target affluent and sophisticated consumers.

ISG sells the majority of its products in the mass market through retail outlets such as: Circuit City, Sound Advice,

and Sears. The products are targeted to less affluent consumers specifically interested in electronics.

Frehling's customers are dealers, designers, and jewelers. Frehling does not sell products to mass marketers. It has never sold merchandise to Circuit City, Sears or Sound Advice.

In the Eleventh Circuit, the Court's analysis must extend beyond the fact that ISG sells its products through Circuit City and Frehling sells its products through Bloomingdales. Therefore, the Court focuses its analysis on the consumer to see if they are confused.

Plaintiff produced no evidence regarding the similarity of retail outlets to indicate that the retail consumer would be confused by ISG's use of Bell'Oggetti. The Court finds that this factor indicates an absence in the likelihood of confusion because the parties used distinct retail outlets and the retail outlets targeted different customers. *Freedom Sav. & Loan Assoc. v. Way*, 757 F.2d 1176, 1184 (11th Cir. 1985).

5. Similarity of Advertising Media

Frehling advertises in newspapers, magazines, by direct mail, and through a cooperative advertising program. Frehling claims that he first became aware of the Bell'Oggetti name when he opened a complimentary magazine, *Design Times*, that included an advertisement for Bell'Oggetti.

ISG advertises primarily through consumer electronic publications, and audio-visual trade publications. Therefore,

Frehling and ISG do not advertise through the same advertising media.

6. Defendant's Intent

The Plaintiff has not produced evidence to establish the fact that Defendant adopted its mark with the intent to derive a benefit from Plaintiff's reputation. *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 977 (11th Cir. 1983). However, if a Plaintiff establishes that the Defendant was "intentionally blind" to the benefit, it may be sufficient to weigh this factor in favor of a finding of likelihood of confusion. *Levi Strauss & Co. v. Diaz*, 778 F.Supp. 1206, 1208 (S.D. Fla. 1991). Plaintiff points out, however, that Defendant adopted the 1-800-OGGETTI toll free number with full knowledge of Plaintiff's prior ownership rights to the OGGETTI mark. Thus, the Court finds that this factor weighs in favor of Plaintiff.

7. Actual Confusion

Plaintiff claims to have established two instances of actual confusion. Mr. Frehling testified that at a trade show in High Point, North Carolina, an unidentified person inquired whether there was a connection between Oggetti and Bell'Oggetti. This Court admitted this testimony over Defendant's objection under the case of *Armco, Inc. v. Armco Burglar Alarm Co. Inc.*, 693 F.2d 1155, 1161 (5th Cir. 1982). In *Armco*, the court allowed similar testimony under 803(3) using the state of mind exception to the Federal Rules of Evidence regarding hearsay. Although the Court allowed the introduction of the testimony, the Court does not place a

significant amount of importance on this evidence because it is highly unreliable in nature. There were no witnesses to the conversation and the Plaintiff could not identify the declarant by name. Moreover, he could not show any actual confusion on the part of the declarant. This incident is not sufficient to show actual confusion.

Frehling also testified that an employee called Sprint Telephone Company to inquire about purchasing a toll free 1-800-OGGETTI number. The Sprint operator allegedly stated that the Plaintiff already had the 1-800-OGGETTI number. Frehling contends that this indicates confusion because ISG was the actual owner of the 1-800-OGGETTI number. Under *Armco*, this evidence is inadmissible because it is double hearsay.[1] While the Court would allow the Frehling employee to testify regarding the conversation she had with the Sprint Operator, the Court will not place any weight on Frehling's testimony regarding an alleged third party conversation between a Sprint Operator and a Frehling employee.

B. Count IV: Fla. Stat. § 817.41 Misleading Or False Advertising

In order to prove that ISG violated Florida's misleading advertising statute, Plaintiff must prove reliance on alleged misleading advertising, as well as each of the other elements of common-law tort of fraud in the inducement. *Smith v.*

---

1. Even if the Court had admitted this evidence, it would not constitute evidence of actual confusion because the operator was not a consumer and did not express confusion regarding the purchase of the parties' products.

Mellon Bank, 957 F.2d 856 (11th Cir. 1992). Plaintiff must show that Defendant made or disseminated before the general public of the state, or any portion thereof, any misleading advertisement. In addition to showing reliance, Plaintiff must also prove detriment. *Vance v. Indian Hammock Hunt & Riding Club, Ltd.*, 403 So.2d 1367 (Fla. DCA 1981). Plaintiff has failed to prove that ISG has engaged in false or misleading advertising. Therefore, the Court concludes that Defendant has not violated Fla. Stat. § 817.41.

C. Counts VI and VII: Fla. Stat. 495.151 and Dilution of Frehling's Mark

Under Fla. Stat. § 495.151, the Plaintiff must show that Defendant's mark caused "a likelihood of injury to the business reputation or dilution of the distinctive quality" of the Oggetti mark. In *Freedom Sav. & Loan Assoc.*, the court held that when a plaintiff fails to establish diminished commercial value it will result in a finding that the defendant did not dilute the mark. Plaintiff testified that he believed that the Bell'Oggetti mark injured his business reputation, however, he produced no evidence to support the accusation. Defendant's expert witness, Fishkin, testified that the Oggetti name was not distinctive because it has minimal consumer recognition. The Court finds in favor of Defendant and concludes that Defendant has not violated Fla. Stat. § 495.151 or Florida common law for dilution of Plaintiff's mark.

D. Bell'Oggetti's Defense of Laches

Under 15 U.S.C. § 1115 and Florida law, ISG must establish the following elements to assert a valid defense

for laches: (1) Frehling delayed in asserting the claim, (2) that the delay was not excusable, and (3) there was undue prejudice to ISG. *SunAmerica Corp. v. SunLife Assur. Co. of Canada*, 77 F.3d 1325, 1347 (11th Cir. 1996). The Court finds that while Plaintiff did in fact delay 4 ½ years in asserting its claim, the delay is excusable. The delay is excusable based on the Courts finding that Plaintiff and Defendant conducted business through different trade channels and competed in different markets. Based on this finding, it is reasonable that Defendant could operate its business for 4 ½ years without Plaintiff becoming aware of Defendant's presence. Once Plaintiff discovered that Defendant was using the Bell'Oggetti mark the Plaintiff immediately filed suit. Therefore, the equitable doctrine of laches is inapplicable to the instant case.

CONCLUSION

The Eleventh Circuit has held that a plaintiff may establish the likelihood of confusion absent actual confusion, or surveys, if the remaining elements are sufficiently strong enough to establish confusion. However, in this case Frehling has failed to produce evidence sufficient to establish the requisite element of likelihood of confusion.

In light of the above analysis, it is

ORDERED AND ADJUDGED as follows:

1. Plaintiff Frehling shall take nothing from Defendant, ISG;

2. ISG' Trademark Registration No. 1,664,147 is hereby declared valid;

3. All pending motions are hereby DENIED AS MOOT; and

4. The Court hereby retains jurisdiction over this cause to determine the amount of attorney's fees and costs upon proper motion by the parties.

DONE AND ORDERED in Chambers at Miami, Florida, this 30th day of December, 1997.

s/ Donald L. Graham
DONALD L. GRAHAM
UNITED STATES DISTRICT JUDGE

APPENDIX C — PER CURIAM OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT DENYING PETITION FOR REHEARING DATED AND FILED JANUARY 7, 2000

IN THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

No. 98-4153

FREHLING ENTERPRISES, INC.,
d.b.a. Oggetti,

Plaintiff-Appellant,
Counter-defendant,

versus

INTERNATIONAL SELECT GROUP, INC.,
d.b.a. Bell'Oggetti International Ltd.,

Defendant-Appellee,
Counter-claimant.

On Appeal from the United States District Court for the Southern District of Florida

ON PETITION(S) FOR REHEARING AND PETITION(S) FOR REHEARING EN BANC
(Opinion _____, 11th Cir., 19__, __ F.2d __).

Before: ANDERSON, Chief Judge, MARCUS, Circuit Judge, and MILLS*, Senior District Judge.

---

* Honorable Richard H. Mills, Senior U.S. District Judge for the Central District of Illinois, sitting by designation.

Appendix C

PER CURIAM:

The Petition(s) for Rehearing are DENIED and no member of this panel nor other Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure; Eleventh Circuit Rule 35-5), the Petition(s) for Rehearing En Banc are DENIED.

ENTERED FOR THE COURT:

s/ [illegible]
CHIEF JUDGE

APPENDIX D — RELEVANT STATUTES AND RULE

15 U.S.C. § 1114(1)(a)

§ 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant —

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . .

* * *

15 U.S.C. § 1115(b)

§ 1115. Registration on principal register as evidence of exclusive right to use mark; defenses

* * *

b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's

exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title . . . .

* * *

15 U.S.C. § 1125(a)(1)(A)

§ 1125. False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which —

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin,

sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . .

* * *

Fed. R. Civ. P. 52(a)

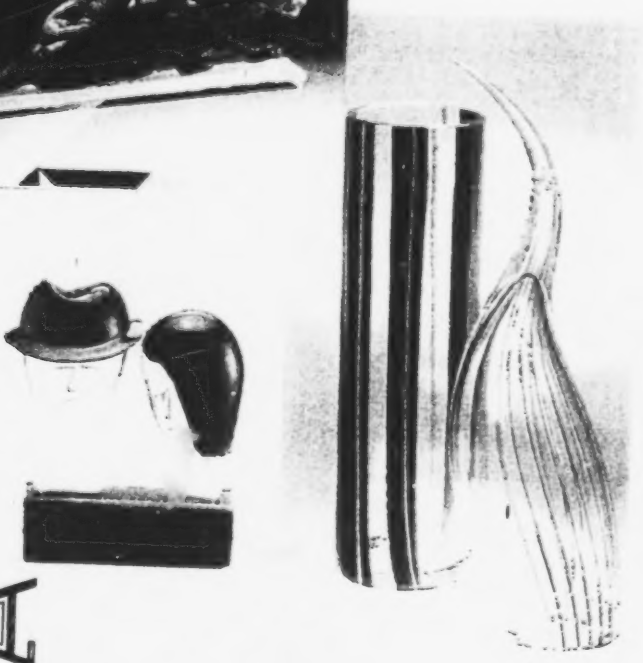
Rule 52. Findings by the Court; Judgment on Partial Findings

(a) Effect. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. It will be sufficient if the findings of fact and conclusions of law are stated orally and recorded in open court following the close of the evidence or appear in an opinion or memorandum of decision filed by the court. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 12 or 56 or any other motion except as provided in subdivision (c) of this rule.

* * * *

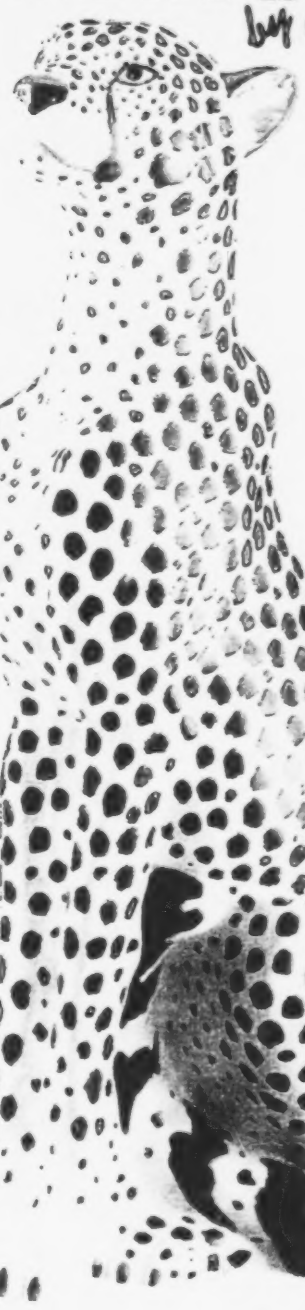
APPENDIX E — SAMPLE OF CATALOGUE DISPLAYS FOR PARTIES

OGGETTI



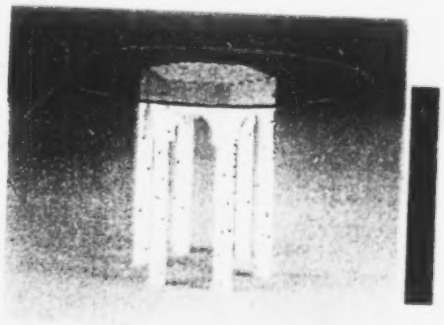
GREG MATTHEWS

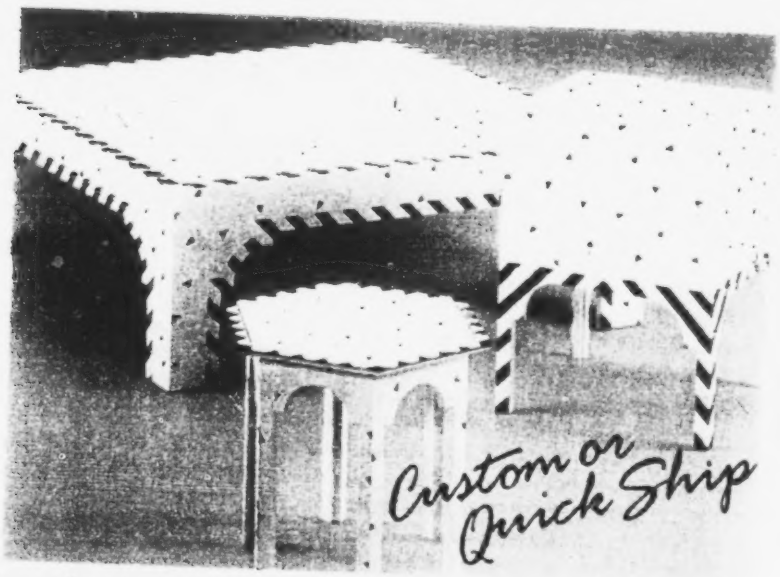
by OGGETTI



FRE 000260

TAVOLA





For Information Contact: OGGETTI / 48 Northwest 25th Street, Miami, FL 33127 / Phone: (305) 576-1044 / Telefax: (305) 573-8024 / Telex: 264 288

Appendix E

BG00351

AUDIO/VIDEO COMPONENT RACK WITH FOUR ADJUSTABLE PERFORATED SHELVES
ASSEMBLY REQUIRED
Model #14001 *AR703

$349.98
*AS SHOWN

DESIGNER LOOK BLACK 4 SHELF AUDIO RACK
•W x H x D: 21" x 34" x 24"
ASSEMBLY REQUIRED
Model #14011
*AVS656

$299.98
AS SHOWN

BELL'OGGETTI

AUDIO/VIDEO SYSTEM T.V. AND HEAVY DUTY EQUIPMENT
• Three Level Perforated Shelves 15" D X 19" W
•Equipped With Floor Leveler •27" W X 30" H X 18 1/2" D •Black
ASSEMBLY REQUIRED
Model #14013
*AVS707

$299.98
AS SHOWN

ADJUSTABLE REAR SURROUND SOUND SPEAKER STANDS
•Concealed Speaker Wire Holes •Top Plate Of Steel With Rubberized Straps And Base Speaker Mounting Holes •Hard Floor Protective Rubber Tips
ASSEMBLY REQUIRED
Model #14018
*SPST

$99.98
For The Pair

To Order by Phone Call 1-800-846-NBTW

Look for our WebSite http://www.nbtw.com

BEST AVAILABLE COPY